



## U.S.-PANAMA TRADE PROMOTION AGREEMENT

# Alaska Farmers Will Benefit

September 2011

The U.S. agricultural sector has a great deal to gain from the pending U.S.-Panama Trade Promotion Agreement, known as the Panama TPA. The agreement will immediately eliminate duties on nearly 50 percent of current U.S. exports and gives U.S. exporters improved access to the Panamanian market for many products that have been highly protected. U.S. agricultural exports to Panama in 2010 exceeded \$450 million.

The Panama TPA agreement eliminates tariffs and other barriers on most agricultural products, increasing export opportunities for a range of Alaska's agricultural products, including beef and dairy. Alaska's agricultural exports to all countries, estimated at \$5 million in 2010, supported jobs both on and off the farm. These export sales make an important contribution to the Alaska farm economy, which had total cash receipts of \$31 million in 2010.

### Greenhouse and Nursery Products

- Panama will eliminate its 15 percent tariff on mosses and lichens, and Christmas trees upon implementation of the Panama TPA. All other greenhouse and nursery products that currently receive duty-free treatment will continue to be duty-free.

### Beef

- Panama will immediately eliminate its 30-percent duty on the products most important to the U.S. beef industry – prime and choice cuts. Panama's tariffs on other cuts of beef will be phased out over 15 years.
- The 10-percent tariff on beef tongues and livers will be eliminated in 5 years, and the 15-percent tariff on other edible offal will be eliminated immediately.
- Panama has already implemented a December 2006 bilateral agreement with the United States on sanitary/phytosanitary measures (SPS), reopening its market to U.S. beef by bringing its import requirements related to bovine spongiform encephalopathy into compliance with international standards.
- Panama also accepted the equivalence of the U.S. meat inspection system, which allows U.S. inspectors to certify beef for export to Panama without having each facility and shipment inspected by Panamanian authorities.

Alaska		
Principal Agricultural Products and Exports, 2010		
Product	Cash Receipts (2010 calendar year)	Exports (2010 fiscal year)
<b>Total</b>	<b>\$31 million</b>	<b>\$5 million</b>
Greenhouse and Nursery Products	\$13 million	\$349 thousand
Cattle and Beef	\$2.4 million	\$166 thousand
	Source: USDA-NASS	Source: USDA-ERS

*For questions about the U.S.-Panama Trade Promotion Agreement and its impact on U.S. agriculture, please contact FAS Public Affairs at (202) 720-7115 or [LPA@fas.usda.gov](mailto:LPA@fas.usda.gov).*